

**BUREAU OF COUNTERTERRORISM AND COUNTERING VIOLENT EXTREMISM**  
**Country Reports on Terrorism 2016**  
**Report**

**DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA**

**Overview:** In October 2008, the United States rescinded the designation of the Democratic People’s Republic of Korea (DPRK) as a state sponsor of terrorism in accordance with criteria set forth in U.S. law, including a certification that the DPRK had not provided any support for international terrorism during the preceding six-month period and the provision by the DPRK of assurances that it would not support acts of international terrorism in the future.

Four Japanese Red Army members who participated in a 1970 jet hijacking continued to live in the DPRK. The Japanese government continued to seek a full accounting of the fate of 12 Japanese nationals believed to have been abducted by DPRK state entities in the 1970s and 1980s. In May 2014, the DPRK agreed to reopen its investigation into the abductions, but as of the end of 2016, had not yet provided the results of this investigation to Japan.

**Legislation, Law Enforcement, and Border Security:** In May, the United States re-certified the DPRK as a country “not cooperating fully” with U.S. counterterrorism efforts pursuant to Section 40A of the Arms Export and Control Act, as amended. In making this annual determination, the Department of State reviewed the DPRK’s overall level of cooperation with U.S. efforts to counterterrorism, taking into account U.S. counterterrorism objectives with the DPRK and a realistic assessment of DPRK capabilities.

**Countering the Financing of Terrorism:** In July 2014, the DPRK became an observer, but not a full member, of the Asia/Pacific Group on Money Laundering, a Financial Action Task Force (FATF)-style regional body. It has been subject to FATF countermeasures since 2011 on the continued concerns about DPRK’s “failure to address the significant deficiencies in its [anti-money laundering/countering the financing of terrorism (AML/CFT)] regime and the serious threat this poses to the integrity of the international financial system.” Nevertheless, the DPRK failed to demonstrate meaningful progress in strengthening its AML/CFT infrastructure. Similarly, in June 2016, the U.S. Department of the Treasury announced that the DPRK is a jurisdiction of “primary money laundering concern” and released special measures to further protect the U.S. financial system from abuse.

For further information on money laundering and financial crimes, see the *2017 International Narcotics Control Strategy Report (INCSR), Volume II, Money Laundering and Financial Crimes*: <http://www.state.gov/j/inl/rls/nrcrpt/index.htm>.